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THE AGRICULTURAL SITUATION.

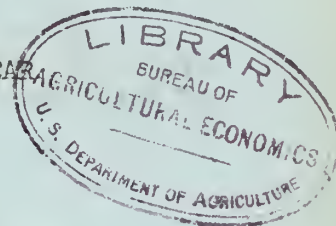
A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY FOR EXTENSION WORKERS AND THE STAFF BY THE BUREAU OF AGRICULTURAL ECONOMICS, U. S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

January 1, 1923.

Vol. III, No. 1.

SOMEWHAT BETTER OUTLOOK FOR THE NEW YEAR



The year 1922 is water over the dam. It proved to be, on the whole, a compound of both hope and discouragement. Hope came with rising prices, particularly of cotton, wool, hogs, and later in the year, grain. The discouraging thing was that prices of articles farmers must buy, rose almost as fast as farm products. This disparity between urban and farm prices has been the chief, lingering obstacle to recovery. It has left farmers to struggle as best they might with a purchasing power about two-thirds of normal.

The aggregate value of crops is placed at roughly $1\frac{3}{4}$ billion dollars above last year. Of course farmers, themselves, absorb a vast quantity of the crops; a large percentage (about one-third) is also fed to livestock, which may or may not bring higher returns. Nevertheless, the general meaning is more dollars for farmers than last year.

There is slightly less winter wheat in the ground than last year, although it is the third largest acreage ever planted. Its condition is not up to average.

Of livestock, there are about 27% more cattle and 20% more sheep and lambs on feed than last year. This situation deserves the very careful attention of stock farmers.

The European outlook is such that many prophets feel inclined to toss a coin before they prophesy. There is much talk of credits for European importers. But the point has been made that the granting of credits to foreign traders does not do a great deal to increase the purchasing power of the real, individual consumers.

Notwithstanding dark spots, however, the general feeling is that the agricultural situation has turned a corner, and that, like the Frenchman's celebrated formula, it is growing "every day, in every way, better and better". The occasional mention among farmers of more cotton, corn, and meat animals for this coming year is a straw that points the wind.

REGIONS AT A GLANCE

THE EAST - Feeling somewhat cheered up by slightly better prices for potatoes, cabbage, onions, etc. Dairy conditions more or less unsettled; milk prices have shown upward winter trend.

COTTON BELT - Paying debts and greatly improved. Stands to get about a half-billion real cash more than last year. Already talk of bigger cotton acreage this spring.

CORN BELT - Improved. Said to have a fourth more live-stock on feed than last year. Corn husking practically over. More corn moving than a month ago. Winter grain in fairly good shape.

WHEAT BELT - Winter wheat has had some severe frosting in western belt. Looking better in eastern region. Acreage slightly below last year. Kansas planted same acreage as last year. Generally more optimism over prices.

RANGE COUNTRY - Had some severe cold and storms. Stock in northwest has suffered. Obligated to feed stock in many sections. Range greening-up somewhat in southwest in spite of dry weather. Pasturing wheat in Texas and Oklahoma.

PACIFIC COAST - Plenty of rainfall. Also considerable snow on the mountains, which means water for the summer. Citrus fruit harvest good, especially Valencias. Navel orange crop a little short of last year, but better as to quality and size.

THE AGRICULTURAL OUTLOOK

Mr. Howard's View

The following is quoted from communication from Mr. J. R. Howard, President of the American Farm Bureau Federation, under date of December 21, 1922:

"Two things separate and apart from the farmer's own daily routine or the direct outlet of his product, make the 1923 situation slightly more hopeful than the past three years.

"The first of these is the developed consciousness amongst all classes, of the basic importance of agriculture, and a very evident determination on the part of many to assist in the solution of the farmers' problems. This is important because the welfare of every individual farmer is closely interwoven with every thread of our industrial and commercial fabric. The business men generally concede the importance of transportation, finance and distribution to farmers and interpret farmers' needs in terms of their own welfare. There is hope that through this broad cooperation something worth while may be accomplished.

"The welfare of the American farmer is much more closely related to the European situation than is usually considered. Europe purchases approximately 90% of our agricultural surplus. She is, therefore, our principal customer. In that market we compete with the agricultural surpluses of all the rest of the world. On the other hand, American industry, commerce and finance compete in all the rest of the world with Europe. The purposes of the government as recently expressed in the public press to take an active hand in the settling of the European situation means tremendous things to American agriculture. What the farmer needs above all other things is price. There is every reason to believe the recent advances will be held and further gains in many commodities registered.

"I expect to go ahead on my own farm with usual vigor and see no reason to anticipate other than a slowly improving agricultural condition."

ANOTHER ESTIMATE OF THE SITUATION

Mr. Atkeson's View

The following is quoted from Dr. T. C. Atkeson, Washington representative of the National Grange, under date of December 28, 1922:

"Agriculture has passed through many other periods of depression and has come up smiling. I am optimistic enough to believe that we have begun to weather the storm. I could not be a pessimist, yet it would be foolish for me to shut my eyes to the seriousness of the conditions that still confront American farmers, so I have become a meliorist, - a modified, rational optimist, believing that the world is not the best and certainly not the worst possible, but susceptible of improvement, and actually improving through the evolutionary struggle tending to the good, a meliorist.

"We meliorate conditions when each one of us does what he can to improve them. The first thing farmers must do is to reduce their expenses and increase their income.

"First among our burdens is the cost of government itself - the enormous burden of taxation - of which the local taxes are by far the heaviest burden. Near this at the very root of our troubles lies the transportation problem, the cost of transporting our products and what we buy. Some way, somehow, the cost of freight hauling must be reduced. Third, is the cost of farm labor. All my life my sympathy has been with the laborer rather than with the capitalist, but the immutable laws of economics must prevail regardless of artificial barriers, and either the labor cost of farm products must come down or else the price of farm products must go up. I prefer the higher level but the economic level must be found.

"The greatest misapprehension about agriculture and its condition is due to the general assumption that it is the biggest industry, losing sight of the fact that its units are the smallest in any major industry. Large as its losses have been, they have been distributed widely, and in the main, absorbed so that the farmers still have their land and their equipment intact with which to build anew and in hope. There are exceptions, and to

those who have lost all we extend our sincere sympathy, but as a great industry, agriculture is sound, not bankrupt, and ready to keep on smiling and working. The average farmer has not suffered impairment either of capital or of ability to produce.

"What is most needed in the last analysis is a profitable market for the products that can and will be raised on the American farms. Not loans to produce more crops at a loss, nor to hold crops from consumption and pile up surpluses, but careful and thoughtful efforts by all farmers supported by every possible private and public agency to reduce production costs, secure all possible production with smallest possible outlay, as a basis upon which is to be built an efficient and economical marketing system either new or with the leaks and losses of the present system lessened as the opportunity may appear.

"Under our complicated social and economic system the interests of the cities and the country are mutual and neither can long enjoy prosperity unless both are equally prosperous. Sooner or later the purchasing power of the farmer's dollar must be equal to the city man's dollar. General prosperity cannot be expected until the economic level is restored.

"Costs of production are already somewhat reduced, and the prices of agricultural products have advanced in the past few months to quite a considerable extent so that the outlook for the coming year is encouraging.

"It must be borne in mind that after the other great war '61-'65, there was also the boom and then a period of partial agricultural depression with recurring periods of encouragement, but that it all worked into a very complete industrial and business panic in 1873 - eight years after the end of the war. With that background in mind, farmers and all others should move in these days with great caution. The anchor of safety is always economy and prudence, or practically, low production costs.

"More than a year ago I said to a committee of Congress that bad as conditions were I believed there was still a glorious future for agriculture. We are nearer this than when I made that statement."

A WORD ON THE OUTLOOK
IN THE TWO GREATEST AGRICULTURAL STATES

The following paragraphs are quoted from respectively Dr. R. A. Pearson, President of Iowa State College of Agriculture and Mechanic Arts; and Dr. W. B. Bizzell, President of the Agricultural and Mechanical College of Texas.

The drift toward heavier production of livestock and cotton is everywhere a significant matter in the minds of well-informed men.

IOWA

"There is a much better feeling in this part of the country as to the agricultural situation. The higher prices afford relief and produce high hopes, but many thoughtful farmers view the future with misgivings when they consider the large number of cattle on feed and the prices which were paid for them. There is the same anxiety in reference to hogs on account of the present large production and the apparent decrease of exports. Apparently we are on the upgrade but careful planning of farm operations is highly important." (R. A. Pearson, December 23, 1922.)

TEXAS

"The agricultural outlook for 1923 in this section is rather promising. The rising trend of prices during the past few months has greatly improved the agricultural situation. Much will depend on the agricultural program of the farmers for the next year with reference to agricultural prospects. The present prevailing price of cotton is likely to result in an abnormal acreage in this product which would destroy balanced production and force prices downward next summer. If this can be prevented the farmers of this section should find themselves far on the road toward agricultural prosperity by the end of the harvest season of 1923." (W. B. Bizzell, December 21, 1922.)

THE DECEMBER ESTIMATE OF CROP PRODUCTION

The following shows production of important crops in 1913, during "wartime" period, last year, and December 1 estimates for this year. These are the compilations of the Division of Crop and Live-Stock Estimates, of this Bureau.

Figures given in millions, that is, six ciphers omitted.

Crop	1913 Production	1916-1920 Average	1921 Production	1922 Dec. 1 Estimate
Wheat, bu.				
Winter	523	566	600	586
Spring	240	233	214	270
All	763	799	815	856
Corn, bu.	2,447	2,831	3,068	2,890
Oats, bu.	1,122	1,413	1,078	1,215
Barley, bu.	178	197	155	186
Rye, bu.	41.4	67.8	61.7	95.5
Potatoes, bu.				
White	331	373	362	451
Sweet	59	88.8	98.6	109
Tobacco, lbs.	954	1,378	1,070	1,325
Beans, bu.	---	13.3	9.15	11.9
Rice, bu.	25.7	41.7	37.6	41.9
Cotton, bales	14.1	11.9	7.9	9.9
Apples				
Total, bu.	145	179	99	204
Commercial, bbl.	---	26.8	21.5	31
Sugar beets, tons	---	6.62	7.78	5.2
Hay, all, tons	64	102	98	113

Production index about 7% more than last year's aggregate production and is close to the average of preceding ten years.

Aggregate crop value \$7,572,890,000, compared with \$5,729,912,000 last year.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending December 1, 1922

Actual prices received at the farm by producers. Average of reports covering the United States weighted according to relative importance of county and State. Figures compiled by Division of Crop and Live-Stock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available month.

	Nov. <u>1913</u>	Nov. <u>1921</u>	Oct. <u>1922</u>	Nov. <u>1922</u>
Cotton, per lb.	¢ 12.2	16.2	22.4	23.8
Corn, per bu.	¢ 69.1	42.3	62.9	65.7
Wheat, per bu.	¢ 79.9	92.6	97.8	100.9
Hay, per ton	\$ 12.43	12.11	10.96	12.59
Potatoes, per bu.	¢ 68.7	110.1	62.8	58.1
Beef cattle, per 100 lbs.	\$ 5.99	4.69	5.48	5.29
Hogs, per 100 lbs.	\$ 7.33	6.66	8.33	7.78
Eggs, per dozen	¢ 33.0	51.1	37.6	46.1
Butter, per lb.	¢ 29.2	41.1	38.5	42.0
Wool, per lb.	¢ 15.6	15.6	32.2	33.2

Outstanding features were increases in hay and cotton. Farmers also able to talk about "dollar wheat" once more.

Potato prices heavy. Hogs and cattle likewise. The latter trend is one that producers should keep a careful eye on, and likewise on livestock production figures.

PRICE INDEXES FOR MONTH ENDING DECEMBER 1

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics. Shows year ago, low point (December, 1921), and latest available month:

Farm Products
(Prices at the farm)

	<u>Nov.</u> <u>1921</u>	<u>Dec.</u> <u>1921</u>	<u>Oct.</u> <u>1922</u>	<u>Nov.</u> <u>1922</u>	<u>Month</u> <u>Trend</u>
Cotton	131	130	181	192 - -	Higher
Corn	71	72	106	111 - -	Higher
Wheat	118	118	125	129 - -	Higher
Hay	110	110	99	115 - -	Higher
Potatoes	171	173	98	90 - -	Lower
Beef cattle	80	78	93	89 - -	Lower
Hogs	89	89	111	104 - -	Lower
Eggs	265	265	195	239 - -	Higher
Butter	152	152	142	155 - -	Higher
Wool	93	101	193	199 - -	Higher

Commodity Groups
(Wholesale Prices)

	<u>Nov.</u> <u>1921</u>	<u>Dec.</u> <u>1921</u>	<u>Oct.</u> <u>1922</u>	<u>Nov.</u> <u>1922</u>	<u>Month</u> <u>Trend</u>
Farm products	121	113	138	143 -	Higher
Food, etc.	139	139	140	143 -	Higher
Cloths & clothing	180	185	188	192 -	Higher
Fuel & lighting	197	187	226	218 -	Lower
Metals & met. products	114	119	135	133 -	Lower
Bldg. materials	163	203	183	185 -	Higher
Chemicals, etc.	129	161	124	127 -	Higher
House-furnishing goods	178	218	176	179 -	Higher
<u>All Commodities</u>	141	149	154	156 -	<u>Higher</u>

RELATIVE PURCHASING POWER

(At November 1922 Farm Prices)

1913 = 100

Of a Unit of:

<u>In terms of:</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	123	71	83	74	58
Cloths, etc.	100	58	67	60	47
Fuel, etc.	88	51	59	53	41
Metals, etc.	144	83	97	86	68
Bldg. materials	104	60	70	62	49
House-furnishing goods	107	62	72	64	50

	<u>Beef cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	57	67	153	99	128
Cloths, etc.	46	54	124	81	104
Fuel, etc.	41	48	110	71	91
Metals, etc.	67	78	172	116	150
Bldg. materials	48	56	129	84	108
House-furnishing goods	50	58	133	87	111

Purchasing power index improved over previous month except in case of potatoes and slight declines in beef cattle and hogs. The most marked improvement, aside from seasonal advance of eggs, was in hay.

The general index of purchasing power of farm products in terms of other commodities, as worked out by this Bureau, advanced one point and stood at 66 for November.

PRICE AND PURCHASING POWER INDEXES

November Trend Since 1913

Index numbers of average prices to farmers of 10 leading crops and 6 classes livestock.

Purchasing power based upon prices of crops and livestock at the farm, and Department of Labor index of wholesale prices of other commodities.

Compiled by Division of Crop and Live-Stock Estimates of this Bureau.

These figures are, in each case, for month of November only.

	Crop Prices (Nov. 15)	Livestock Prices (Nov. 15)	Commodity Prices Excluding Food & Farm Products (November)	Purchasing Power of Farm Products in terms of other Commodities (November)
1913	107	99	97	107
1914	101	97	90	110
1915	99	92	103	93
1916	148	115	148	89
1917	207	177	170	113
1918	215	190	192	106
1919	226	169	210	94
1920	148	147	210	70
1921	98	92	152	62
1922	118	105	169	66

SIGNIFICANT MOVEMENT OF FARM PRODUCTS

Figures show corn, hogs, cattle receipts at primary markets; butter receipts at 5 markets; wheat (including flour) and cotton exports. All figures given to nearest thousand.

Month	CORN		HOGS		CATTLE		BUTTER		WHEAT		COTTON	
	Receipts		Receipts		Receipts		Receipts		Exports		Exports	
	Th. Bu.		Thousands		Thousands		Th. lbs.		Th. Bu.		Th. Bales	
1921 Nov.	15,467		3,687		1,928		37,282		19,453		649	
1922 Jan.	52,097		4,278		1,628		41,697		14,985		475	
" Feb.	58,330		3,612		1,416		38,894		10,991		338	
" Mar.	31,035		3,411		1,622		44,919		14,371		461	
" Apr.	14,552		3,067		1,470		42,694		10,244		612	
" May	27,083		3,737		1,878		68,893		14,267		469	
" June	31,157		3,776		1,759		93,139		18,200		491	
" July	25,975		2,980		1,709		92,829		19,098		374	
" Aug.	24,380		3,037		2,149		62,494		38,964		273	
" Sept.	35,296		3,062		2,373		46,419		31,839		369	
" Oct.	32,477		3,682		2,936		41,351		25,077		799	
" NOV.	23,925		4,421		2,427		38,678		17,578		858	

Corn movement lighter, though above last year.

Heavy movement of hogs to market. Some of those pigs listed in the pig census last spring are now being listed in the markets.

Cattle movement heavier than last year. Livestock men should watch the situation closely when they plan for the coming year.

Butter shows seasonal decline.

Wheat exports fell off.

Cotton exports, on the other hand, increased.

THE COLD STORAGE SITUATION

December 1 holdings (Figures show nearest thousand

<u>Commodity</u>	<u>5 Year Average</u>	<u>Dec. 1, 1921</u>	<u>Nov. 1, 1922</u>	<u>Dec. 1, 1922</u>
Creamery butter, lbs.	72,714	65,129	73,857	47,807
American cheese, lbs.	47,455	34,054	40,851	37,169
Case eggs, cases	2,517	2,403	5,726	3,257
Total poultry, lbs.	57,951	65,167	30,238	51,764
Total beef, lbs.	197,479	80,333	67,813	96,118
Total pork, lbs.	447,254	355,589	395,170	418,286
Lard, lbs.	50,775	42,001	36,750	32,455
Lamb & mutton, lbs.	17,614	7,520	3,458	3,708
Total meats, lbs.	734,501	504,659	512,396	568,614
Apples, bbls.	5,613	5,739	5,521	6,720

The country drew on its stored stocks of butter, cheese, and eggs. November movement of eggs out of storage was heaviest month ever recorded.

On the other hand, poultry and meats went into storage in some volume.

Lard stocks are low.

The December 1 stored stock of apples was about a million barrels above previous month and five year average.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1921 Nov.	1922 Oct.	1922 Nov.	Month's Trend
<u>Production</u>				
Steel ingots (Thou. tons)	1,898	3,284	3,303	Increase
Bituminous coal (Thou. tons)	36,805	45,164	45,262	- - - -
Cement (Thou. barrels)	8,921	12,287	11,349	Decrease
Automobiles shipped (Thou. carloads)	14	27	27	- - - -
<u>Consumption</u>				
Cotton by mills (Thou. bales)	528	534	578	Increase
Unfilled orders Steel Corp. (Thou. T.)	4,251	6,902	6,840	Decrease
Building contracts (Millions dollars)	192	253	244	Seasonal decrease
Hogs slaughtered (Thousands)	2,370	2,365	2,918	Increase
<u>Movements</u>				
Bank clearings (N.Y.) (Billions dollars)	17	19	17	Decrease
Car loadings (Weekly av., Thousands)	756	993	947	Decrease
Mail order sales (Thou. dollars)	23,767	30,222	31,201	Increase
Wholesale Price Index (Dept. Labor)	141	154	156	Slightly higher
Unemployment in Pa. (Thousands)	269	38	22	Improved
Interest rate, Coml. Paper (60-90D.)	5.19	4.38	4.38	- - - -
Argentine wheat shipments (Thou. bu.)	1,055	5,199	6,449	Increase

Business strongly sustained up to winter. Production of railway equipment, automobiles, buildings, and textiles continue to form the backbone of activity for urban industry.

Foreign trade statistics not available in detail for the month. Mr. Hoover was quoted last week to the effect that import and export situation are tending toward a healthy balance.

Financial conditions good. Improved purchasing power of farmers indicated in further increase of mail order sales.

THE COTTON SITUATION

Wm. R. Meadows

In Charge, Division of Cotton Marketing, B. A. E.

The world's supply of American cotton on August 1, 1922, was approximately 5,123,000 bales, of which about 2,560,000 bales were in the United States. The latest estimate of this year's American production is placed at 9,890,000 running bales, indicating a total supply of American cotton in the United States for the season 1922-23 of approximately 12,450,000 bales. Consumption by American mills for the first five months of this season was on the basis of a little over 6,000,000 bales for the current year.

Exports of American cotton have also been full, amounting to 2,642,846 bales, which quantity is only a little under that of last season for the same period. Should consumption of American mills and exports continue at the present rate the supply of cotton in America will be wiped out before the new cotton begins to reach the markets late in next August or in fair volume next September. Such a condition is, however, improbable in face of the possibility of prices rising to such a level that curtailment of consumption during the interim would be inevitable.

Reports indicate that American mills are well filled with orders ahead. Figures also show that Great Britain, France, Italy, Spain and Belgium have taken more cotton so far this season than for the corresponding period last year. Germany has taken about 125,000 bales less than last year and Japan and China nearly 300,000 bales less than last year.

Present indications point to a general improvement in the dry goods trade both in America and most European countries. Indications are that these conditions will probably continue unless some unforeseen political or financial upheaval occurs.

THE STOCK FEEDING SITUATION

This Bureau recently completed a survey of cattle and sheep on feed, as of December 1.

In the eleven Corn Belt States there are about 27% more cattle on feed than last year. Iowa led with a 50% increase; Illinois 35%; Nebraska, Missouri, and South Dakota each 25% increase.

Sheep and lambs show about 20% more on feed than a year ago. The western, irrigated regions showed a 25% increase. Colorado is credited with 1,300,000 sheep and lambs on feed, - the largest number since 1914, and a 30% increase over a year ago. Utah increased 100%. The Corn Belt showed 10% increase.

In this connection follows an interesting note on cost of feeding cattle by Mr. R. H. Wilcox, in charge of this Bureau's work on livestock production costs:

"Winter feeding of cattle in the Corn Belt last winter furnished a profitable means of marketing the corn crop which, as grain, had no market. Average market price of corn as grain ranged between thirty and forty cents per bushel at the country elevators last winter. When this corn was fed to cattle and marketed on the hoof, it brought between sixty and seventy cents a bushel. In addition to marketing corn, feeder cattle made a market for a great amount of unmarketable roughage.

"Gains were made in the winter of 1921-1922 of from seven to nine cents a pound in the main. This gain in six-cent feeder cattle went to a market in the spring of 1922 that returned the feeder a remunerative price for his feed and labor.

"Among other facts which this cattle-feeding cost study conducted by the Bureau of Agricultural Economics is bringing out is the fact that silage is an expensive feed when the market price of corn falls below forty cents as it did in the winter of 1921-1922.

"In the sections of Illinois observed in this cost study, corn went into the silo during a market level of thirty-two cents a bushel; it cost thirty-five cents a bushel to put in into the silo, making this corn in the silo cost about sixty-seven cents a bushel as it was fed out in the form of silage. Although the corn and hay-fed cattle were produced at an advantage last winter in the Corn Belt (in Illinois the corn and hay-fed cattle putting on gain at \$2.36 cents a hundred pounds cheaper than silage-fed cattle) the using of silage in a year when the market price of corn as grain is above the cost of producing this corn will show a closer margin between the cost of silage-fed and non-silage-fed cattle.

"For the present winter of 1922-1923 feeder cattle went into the Corn Belt feed lots at \$5.50 to \$7.00 a hundred as thin cattle. Those cattle that are already starting back to the killers are paying well for their grain and roughage."

LIVESTOCK PRODUCTION AND MOVEMENTS IN 1922 - The number of meat animals estimated on farm January 1, 1922 was as follows: dairy cattle 24,028,000; beef cattle 41,324,000; total cattle 65,352,000; hogs 56,996,000; sheep 36,048,000. The average number on farms January 1 during the 10 years, 1913-1922 inclusive, was as follows: dairy cattle 22,562,700; beef cattle 40,636,500; total cattle 63,199,000; hogs 63,799,700; sheep 45,739,200. A comparison of those two sets of figures shows that on January 1, 1922 the number of cattle on farms was 2,152,800 head greater than the 10 year average. Dairy cattle showed 1,465,300 increase.

On November 1, 1922 there were 68,881,000 cattle and 76,318,000 hogs estimated on farms in the United States.

During the first 10 months of 1922 receipts of cattle and hogs at public stock yards were comparatively heavy whereas those of sheep were relatively light. Receipts of cattle and calves amounted to 18,965,000 which was 15% greater than similar movements in 1921 and constituted the heaviest run since 1919. Hog receipts for the 10 months period totaled 34,642,000, an increase of 3.5% over 1921 and represented the heaviest movement to market since 1919. As might be expected in view of the relatively small numbers estimated on farms at the beginning of the year, sheep receipts at public stock yards showed rather sharp decreases. Receipts during the first 10 months of 1922 totaled 18,560,000 head and was a decrease of slightly more than 9% compared with movements for 1921 and constituted the lightest run since 1917.

Although in the main the marketward movement of live stock thus far during 1922 has been relatively heavy, there has been a compensatory movement in the form of shipments of stocker and feeder animals back to the country. Such shipments of cattle and calves up to November 1 amounted to 3,843,000 head and exceeded similar movements for any year since 1919. Shipments of stock hogs back to the country amounted to 492,000 head and exceeded the 1921 movement by 14% but were considerably under similar movements for 1918, 1919 and 1920. Even in the case of sheep where receipts were 9% under those of a year ago stocker and feeder shipments showed an increase of 772,000 head or 32.4%.
C. E. Gibbons, Marketing Livestock Division, B. A. E.

POTATO SITUATION - Large quantities of potatoes are still in grower's hands. Notwithstanding the record breaking yield, the shipments of main crop potatoes have been nearly 15 per cent less than last season, owing to combined effect of heavy local supplies, low prices, car shortage and unfavorable weather. Reduced carlot receipts explain the uneven condition of the markets. Prices advanced 5¢-15¢ per 100 lbs., in various eastern city markets and shipping sections in December, but there was no sustained rise in the West.

APPLES - Prices in eastern markets averaged little change but barreled stock advanced about 25¢ in midwestern cities, ranging \$4-\$5. Cold storage holdings increased one-fifth during the month, but carlot shipments have been decreasing rapidly. The season's carlot movement thus far has been only a little greater than last year, owing to much lighter supplies from the Northwest. The apple shipment and price situation resembles quite closely that of two years ago, when, as now, the eastern crop was the leading feature.
G. B. Fiske, Fruits and Vegetables Division, B. A. E.

WORLD WHEAT PRODUCTION

The new wheat production estimates for the Southern Hemisphere have just been compiled within the week, by the Division of Statistical and Historical Research, of this Bureau.

It will be noted that the increase in Argentina is nearly offset by the decrease in Australia. The net result is to indicate a total crop in the Southern Hemisphere about like last year.

Following table shows the late estimates for the world:

WORLD WHEAT PRODUCTION INCLUDING THE 1922-23 ESTIMATES FOR THE SOUTHERN HEMISPHERE

Region	1921	1922
	<u>1,000 Bushels</u>	<u>1,000 Bushels</u>
NORTHERN HEMISPHERE		
Canada.....	300,858	388,773
United States.....	814,905	856,211
Mexico.....	5,089	5,190
Total North America (3 countries).....	1,120,852	1,250,174
Europe (24 countries).....	1,211,887	993,853
Africa (4 countries).....	98,864	67,741
Asia (5 countries).....	287,703	407,247
Total Northern Hemisphere:.....	2,719,306	2,719,015
SOUTHERN HEMISPHERE	1921-22	1922-23
Argentina.....	180,641	215,320
Australia.....	132,282	105,000
Union of South Africa.....	8,689	7,385
Total Southern Hemisphere (3 countries).....	321,612	327,705
TOTAL WORLD PRODUCTION (39 COUNTRIES).....	3,040,918	3,046,720

FREIGHT RATES AND PRICE LEVELS

Railway freight rates were pushed up a year and a half ago, pretty badly out of line with values of much of the tonnage they were hauling, - that is, with primary products. That fact is quite widely understood now.

However, the relationship between rates on primary and on manufactured products is still far from being well adjusted. That whole question is one in which farmers are vitally concerned.

The following table was prepared by Dr. F. A. Pearson of this Bureau, and was submitted along with other data by the Secretary of Agriculture in a hearing before the Interstate Commerce Commission about three weeks ago. The table tells a terse story of mal-adjustment:

Index Numbers of Freight Rates
and Prices

	<u>1900</u>	<u>1913</u>	<u>Aug. 1921</u>	<u>Aug. 1922</u>
Freight rates on non-agricultural products	109	100	169	151
Prices of non-agricultural products	74	100	197	206
Freight rates on agricultural products	102	100	181	156
Prices of agricultural products	69	100	114	117
Purchasing power of freight rates on non-agricultural products in terms of prices of non-agricul- tural products	147	100	86	73
Purchasing power of freight rates on agricultural products in terms of prices of agricultural products	147	100	159	133

FARM BUSINESS ANALYSIS THE BACKGROUND FOR AN EXTENSION PROGRAM

Men who have some intelligent ideas and program for improving the agricultural community know that one mighty good starting point is to have an accurate basis of economic facts.

They know this in Delaware. Mr. H. W. Hawthorne, of the Farm Organization Division of this Bureau, has just been superintending one of a series of farm business surveys there in cooperation with the State Extension Service. The following brief comment by Mr. Hawthorne illustrates the point:

"A farm business analysis survey of 100 farms in the vicinity of Lewes, Delaware, for the year 1922 is now in progress. The survey was planned to aid in formulating a program for extension work in this part of the State. The Lewes area is one of general farming, - corn, wheat, clover, and sometimes alfalfa occupying the greater part of the crop land, - with a few acres of Irish or sweet potatoes and tomatoes on most of the farms. The feed crops are mostly fed to the work animals, to both dairy and beef cattle, a few sheep and hogs, and to poultry; leaving wheat, potatoes and tomatoes the leading cash crops.

"Normally the sales of Irish potatoes, sweet potatoes, and canning tomatoes make up a large part of the receipts of the farms in the Lewes area; but in 1922 on account of the low yields of wheat and the low prices of potatoes and the low yields of tomatoes, hardly one-half of the receipts were from these sources. In a year such as this, when the returns from the principal sources of receipts are very low, the importance of normally minor enterprises is emphasized, and in this area in 1922 the poultry and egg and the dairy enterprises were brought into importance.

"A large number of the farms kept 200 or more hens. Many of them raised from 200 to 300 chickens, and some produced a thousand dozens or more of eggs. With sales of 200 or more chickens and of 800 dozens or more of eggs, \$400 or more were added to the receipts of a few of the farms in 1922. On the other hand, so many of the farms produced less than five dozens of eggs per hen in 1922 that a large number failed to realize \$400 receipts from the poultry and egg enterprise. This suggests as a part of the program for extension work a project in the breeding, feeding, and care of poultry and perhaps the marketing of the product; all leading to increased production per hen, or an improvement in the quality of the poultry enterprise.

"Many of the farms also kept a half dozen or more cows for dairy purposes, and the farm receipts were sometimes increased \$500 or more on account of the dairy enterprise. On the other hand, so many of the farms produced less than 100 pounds of butter-fat per cow in 1922 that a large number failed to realize this amount from the dairy enterprise. This suggests an extension program including a project in the breeding, feeding, and care of the dairy cow together with the marketing of the product; all leading to increased production per cow, or an improvement in the quality of the dairy enterprise."